



90 DAYS

The Real Cost of Slow Payments in Africa

Across Africa, the widespread practice of 60- to 90-day payment terms has become a systemic issue rather than a standard business procedure, with devastating consequences for SMEs.

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The 90-Day Payment Trap



91%

South African SMEs experience late payments



49%

African SMEs identify delayed payments as a top operational threat



60-120 days

Extended payment terms becoming the norm

Payment Delays in Africa



In Cape Coast, Ghana, most SMEs receive payment after 60-90 days
Intra-African payments take 3-5 business days to settle

The Real Cost: Cash Flow Crisis



72%

Small businesses use personal funds to sustain operations



46%

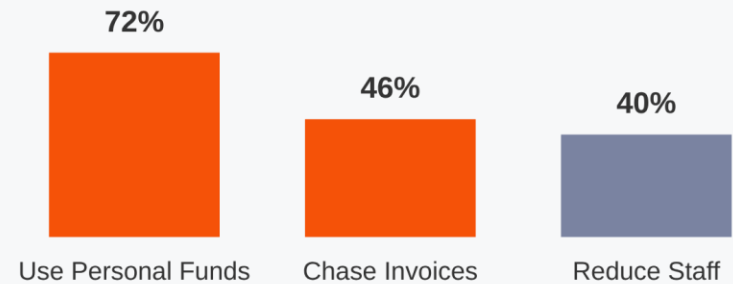
Business owners spend 1-2 months annually chasing invoices



40%

Business owners reduce staff due to cash flow constraints

Impact of Delayed Payments



Operational Consequences

- ⊘ Reduced investment in technology and skills development
- 👥 Staff reduction and operational scaling down
- 🔗 63% of supplier relationships affected, creating supply chain instability

Breaking the Cycle



Business-Level Solutions

Strengthen Contracts

Include clear payment terms and late penalties

Invoice Promptly

Send invoices immediately with automated follow-ups

Early Payment Discounts

Offer 2% discount for payment within 10 days

Policy & Regulatory Solutions

Policy Reform

Advocate for 30-day payment window with automatic penalties

Empower Trade Associations

Strengthen associations to advocate for members

Public Disclosure

Require large corporations to disclose payment performance

Technology Solutions

Mobile Money

Leverage M-Pesa and other mobile payment platforms

Stablecoin Solutions

Enable cross-border payments within minutes

Automation

Implement systems for transaction monitoring and reconciliation

"Timely payment is not merely a courtesy; it is a fundamental contractual and economic obligation."